

**REPORT OF THE BOARD OF DIRECTORS OF DAMIANI S.P.A.
ON THE PROPOSED AMENDMENTS TO THE COMPANY'S BY-LAWS PURSUANT
TO ARTICEL 3 OF THE MINISTERIAL DECREE NO. 437 OF 5 NOVEMBER 1998
AND ART. 92 OF CONSOB RESOLUTION NO. 11971/1999 (REGULATION OF
ISSUERS)**

Dear Shareholders,

Pursuant to Article 3 of the Ministerial Decree No. 437 of November 5, 1998 as well as Article 92 of Consob Resolution No. 11971/1999 (so called, "Regulation of Issuers"), as subsequently amended and supplemented, the Board of Directors of Damiani S.p.A. (hereinafter referred to as the "Company" or the "Issuer") makes available – together with the further documentation – an explanatory report concerning the proposed amendments to the Company's By-laws, which is one of the items included in the agenda of the shareholders' meeting called, in both ordinary and extraordinary sessions, at the registered office of the Company in Valenza (AL), Viale Santuario, 46, on 3 April 2009 at 6:30 pm on first call and, if necessary, on 6 April 200, on second call at the same place and time.

The items on the agenda of the shareholders' meeting are specifically the followings:

Ordinary session:

1. Renewal of the Board of Directors, upon determination of the number of its members, following the resignation of directors; related and consequent resolutions.

Extraordinary session:

1. Modification of Article 1 of the Company's By-laws with integration of the Company's name; related and consequent resolutions.

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1. Reasons of the proposed amendments to Article 1 of the Company's By-laws.

The Board of Directors has examined the opportunity to propose the amendments of Article 1 of the Company's By-laws, in order to integrate the part devoted to the use of abbreviations instead of the complete Company's name "Casa Damiani S.p.A."

In particular, besides the short name "Damiani S.p.A.", it is proposed to add the abbreviations "C.D. S.p.A." or "CD S.p.A.", as suggested by the Company management, in order to maintain the identity of each brand of Damiani Group.

It is therefore suggested that Article 1 of the Company's By-laws is amended as detailed below.

It is therefore called an extraordinary shareholder's meeting to resolve – with the majority provided for such meetings – on the proposed alterations to the Company's By-laws based on the above-mentioned grounds; such amendment is not included among those listed in Art. 2437 of the Civil Code and does not grant the right of withdrawal to absent or dissenting shareholders.

2. Comparison between the current wording of the Company's By-laws and the amended version.

Please find below the comparison between the current wording of the Company's By-laws and the amended version (the proposed amendments are in bold type).

TEXT IN FORCE	PROPOSED TEXT
Art. 1	Art. 1
A "società per azioni" is hereby incorporated with the name "Casa Damiani S.p.A." or – shortly – "Damiani S.p.A."	A "società per azioni" is hereby incorporated with the name "Casa Damiani S.p.A." or – abbreviated – " CD S.p.A. ", or " C.D. S.p.A. " or "Damiani S.p.A."

Milan, 2 March 2009

On behalf of the Board of Directors
the Chairman
Guido Grassi Damiani